

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Labour Employment Training & Factories Department – Kallam Spinning Mills Limited, Chowdavaram, Guntur District – Grant of Exemption from ESI coverage under Section 87 of Employees State Insurance Act, 1948 – Rejected – Orders – Issued.

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LABOUR EMPLOYMENT TRAINING & FACTORIES (IMS) DEPARTMENT

G.O.Rt.No. 119

Dated:29-01-2013

Read the following:-

- 1) From the Kallam Spinning Mills Limited, Guntur District Exemption Application, Dt.28-01-2009.
- 2) From the Director (I/c), Insurance Medical Services, Hyderabad Lr.Rc.No.9592/P/2009,Dt.02-07-2009.
- 3) From the Kallam Spinning Mills Limited, Guntur District Exemption Application, Dt.5-4-2010.
- 4) From the Dir, IMS, Hyd., Lr.Rc.No.3346/P1/2008, Dt.9-9-2009.
- 5) From the Jt.Managing Director, Kallam Spinning Mills Limited, Lr.No.KSMN/SMHR/07/2010, dt.31-01-2011.

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**ORDER :**

In the reference 1<sup>st</sup> read above, the Joint Managing Director, Kallam Spinning Mills Limited, Chowdavaram, Guntur District has stated that their mill located 15 km away from Guntur and nearly 20 km away from ESI Dispensary, Nallapadu and around 150 employees are working in their mill. They have appointed a MBBS Doctor to look after general deceases and providing medicines and in emergency they are sending their employees to M/s.Kiran Nursing Home, Guntur and the company was bearing the expenses of treatment. The workers are covering under Group Insurance Scheme by M/s.Oriental Insurance Company. He has therefore, requested to grant ESI exemption from implementation of Employees State Insurance Act to their mill till such time Employees State Insurance Corporation provides to them a Dispensary or a Panel Doctor as the ESI Dispensary is present located far away from the company.

2. In the reference 5<sup>th</sup> read above, the Joint Managing Director, Kallam Spinning Mills Limited has stated that the Director of Insurance Medical Services in his orders Rc.No.11398/P1/2006, dt.26-11-2010 had issued orders appointing a Private Medical Practitioner working in M/s. Katuri Medical College & Hospital, Chinakondrupadu as panel doctor to render medical services to the employees coverable under ESI Act in the area of Chowdavaram. They have been paying necessary contributions to the Employees State Insurance Corporation from 16-12-2010. They are therefore, requested to grant exemption for the years from 01-04-2006 to 15-12-2010.

3. In the reference 4<sup>th</sup> read above, the Director of Insurance Medical Services has stated that the request of Kallam Spinning Mills, Chowdavaram, Guntur District for exemption from ESI Act has been reviewed by the Standing Committee for Exemptions and Committee on re-examination of the fact related to distance of existing Dispensary at Nallapadu vis-à-vis appointment of doctor to start panel clinic etc., took note of fact, submitted by Joint Director, Sub-Regional Office, Vijayawada through which it is noticed that Chowdavaram village of Guntur District where the factory is located was notified for implementation of provisions of the ESI Act w.e.f.27-03-1977 after medical arrangements were made by the State Government at Nallapadu Village which is within 8 K.M distance of Chowdavaram village. There are some other units in that area and near by villages of Pothuru including Obulapudipalem (Hamlet), Ankireddypalem who are reported to have been availing the facilities from Nallapadu and Guntur Dispensaries. Considering the fact and circumstances of the case, like all other

employees of the area and near by villages, employees of the spinning mill under consideration can also avail benefits from Nallapadu dispensary. Therefore, the Committee unanimously opines that it is not desirable to exempt the unit. Hence, the Committee did not recommend for exemption.

4. Government, after careful examination of the recommendations of the Standing Committee for Exemptions and under the provisions of Section 91-A of Employees State Insurance Act, 1948 as amended through the Employees State Insurance (Amendment) Act, 2010 (18 of 2010), Dt.24-5-2010 hereby reject the request of Kallam Spinning Mills Limited, Chowdavaram, Guntur District for grant of exemption with retrospective effect from 01-04-2006 to 15-12-2010 under Section 87 of Employees State Insurance Act, 1948.

5. The Director of Insurance Medical Services, AP, Hyderabad is requested to take necessary action accordingly in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J.C. SHARMA  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Insurance Medical Services, AP, Hyderabad.

Copy to:

The Kallam Spinning Mills Limited, Chowdavaram, Guntur – 522 019.

The Regional Director, ESIC, Hill Fort Road, Hyderabad.

Sf/Sc.

// FORWARDED :: BY ORDER//

SECTION OFFICER